PENTA CAREER CENTER

WOOD COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Members of the Board
Penta Career Center
9301 Buck Road
Perrysburg, OH 43551

We have reviewed the *Independent Auditor's Report* of Penta Career Center, Wood County, prepared by Julian & Grube, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Penta Career Center is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 11, 2022

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PENTA CAREER CENTER
WOOD COUNTY, OHIO

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Independent Auditor's Report

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Penta Career Center, Wood County, Ohio, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Penta Career Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Penta Career Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Penta Career Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Penta Career Center, Wood County, Ohio, as of June 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Penta Career Center. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison information, and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions* listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penta Career Center's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the Penta Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Penta Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Penta Career Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 20, 2021

The discussion and analysis of the Penta Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review, notes to the basic financial statements and basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The Career Center's net position of governmental activities increased $6,449,437 which represents a 13.81% increase from 2020's net position.

- General revenues accounted for $33,228,345 in revenue or 75.60% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $10,726,737 or 24.40% of total revenues of $43,955,082.

- The Career Center had $37,505,645 in expenses related to governmental activities; $10,726,737 of these expenses were offset by program specific charges for services, operating grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $33,228,345 were more than adequate to provide for these programs.

- The Career Center's largest major governmental fund is the general fund. The general fund had $35,216,642 in revenues and $30,180,347 in expenditures. During fiscal year 2021, the general fund's fund balance increased $5,036,295 or 23.68% from a balance of $21,270,290 to $26,307,285.

- The fund balance of the permanent improvement fund increased $4,710,434 or 81.44% during fiscal year 2021.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Career Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The s*tatement of net position* and s*tatement of activities* provide information about the activities of the whole Career Center, presenting both an aggregate view of the Career Center's finances, and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Career Center's most significant funds with all other non-major funds presented in total in one column. The Career Center has two major governmental funds: the general fund and the permanent improvement fund. The general fund is by far the most significant fund.

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities reflect how the Career Center did financially during fiscal year 2021. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Career Center's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Career Center as a whole, the *financial position* of the Career Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Career Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, extracurricular activities, adult education programs and food service operations.

The Career Center's statement of net position and statement of activities can be found on pages 13 and 14 of this report.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major governmental funds begins on page 10. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund and the permanent improvement fund.

Governmental Funds

Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-18 of this report.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center is the fiduciary for its scholarship programs. This activity is presented as a custodial fund. These activities are reported in a custodial fund. All of the Career Center's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 19 and 20. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-58 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's budgetary basis of accounting and net pension liability and net OPEB liability/asset in this report on pages 59-60 and 61-79, respectively.

The Career Center as a Whole

The statement of net position provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net position for June 30, 2021 and June 30, 2020.

Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 59,555,704	$ 49,071,211
Net OPEB asset	2,180,833	2,067,355
Capital assets	71,891,134	73,271,972
Total assets	133,627,671	124,410,538
Deferred outflows of resources	9,576,712	9,792,904
Liabilities		
Current liabilities	3,656,167	3,728,409
Long-term liabilities:		
Due within one year	844,655	850,132
Due in more than one year:		
Net pension liability	36,660,248	33,730,928
Net OPEB liability	2,090,969	2,469,632
Other amounts	24,258,727	23,752,842
Total liabilities	67,510,766	64,531,943
Deferred inflows of resources	22,532,377	22,959,696
Net Position		
Net investment in capital assets	53,005,862	54,599,808
Restricted	11,633,709	6,844,122
Unrestricted (deficit)	(11,478,331)	(14,732,127)
Total net position	$ 53,161,240	$ 46,711,803

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Career Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Career Center's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Career Center's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

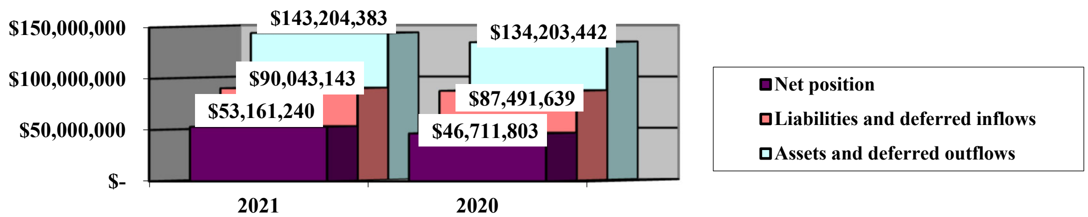
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the Career Center's assets and deferred outflows exceeded liabilities and deferred inflows by $53,161,240.

At June 30, 2021, capital assets represented 53.80% of total assets. Capital assets include land, land improvements, buildings and building improvements, furniture, fixtures and equipment and vehicles. The net investment in capital assets at June 30, 2021 was $53,005,862. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 15 for more detail.

A portion of the Career Center's net position, $11,633,709, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of $11,478,331. The deficit balance in unrestricted net position was the result of reporting the net pension liability required by GASB 68.

Governmental Activities



The table below shows the changes in net position for governmental activities between 2021 and 2020.

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 1,368,221	$ 1,553,185
Operating grants and contributions	9,266,500	8,476,236
Capital grants and contributions	92,016	-
General revenues:		
Property taxes	18,531,333	17,146,870
Payment in lieu of taxes	323,022	193,045
Grants and entitlements	11,769,672	11,590,375
Investment earnings	528,536	883,115
Change in fair value of investments	1,885,564	110,249
Miscellaneous	190,218	313,227
Total revenues	43,955,082	40,266,302

- *(Continued)*

Change in Net Position - (Continued)

	Governmental Activities 2021	Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Special	$ 1,276,461	$ 1,234,817
Vocational	19,526,008	19,977,248
Adult/continuing	719,781	631,579
Other	873,142	988,867
Support services:		
Pupil	3,821,917	3,674,401
Instructional staff	3,167,256	3,079,872
Board of education	106,152	109,192
Administration	1,699,910	1,755,532
Fiscal	735,594	743,245
Operations and maintenance	3,479,743	3,655,540
Central	345,519	351,635
Other non-instructional services	134,049	292,428
Food service operations	621,735	722,977
Extracurricular activities	147,891	254,678
Interest and fiscal charges	850,487	758,690
Total expenses	37,505,645	38,230,701
Change in net position	6,449,437	2,035,601
Net position at beginning of year	46,711,803	44,676,202
Net position at end of year	$ 53,161,240	$ 46,711,803

Governmental Activities

Net position of the Career Center's governmental activities increased during fiscal year 2021 by $6,449,437.

Total revenues increased 9.16% during fiscal year 2021.

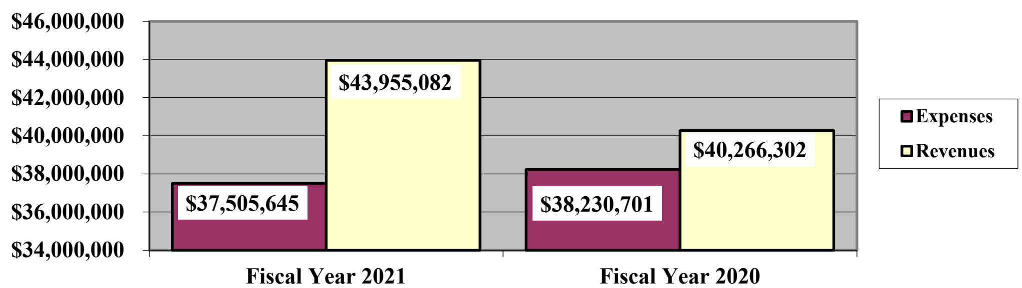
In the area of program revenues, charges for services program revenues decreased slightly from less charges for services and fees as a result of the COVID-19 pandemic. Operating grants and contributions increased primarily due to increased federal grant funding including Governor's Emergency Education Relief (GEER) funding and Coronavirus Relief funding. Capital grants and contributions include interest earnings on capital funds and other contributions.

Property tax revenue increased by $1,384,463 during fiscal year 2021 due to increased collections from housing and commercial growth and fluctuations in the property tax advances available at fiscal year-end. Payment in lieu of tax revenue increased during fiscal year 2021 the scheduled payments due from businesses were paid during the fiscal year. Unrestricted grants and entitlements increased during fiscal year 2021 as compared to fiscal year 2020, due to cuts in state foundation during the last quarter of fiscal year 2020 from the COVID-19 pandemic. Investment earnings decreased from a cut in interest rates. The Career Center's education foundation investments experienced a significant increase in fair value from fiscal year 2020 to 2021.

Fiscal year 2021 expenses were comparable to fiscal year 2020, decreasing by 1.90%.

The graph below presents the Career Center's governmental activities revenue and expenses for fiscal year 2021 and 2020.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2021 and 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

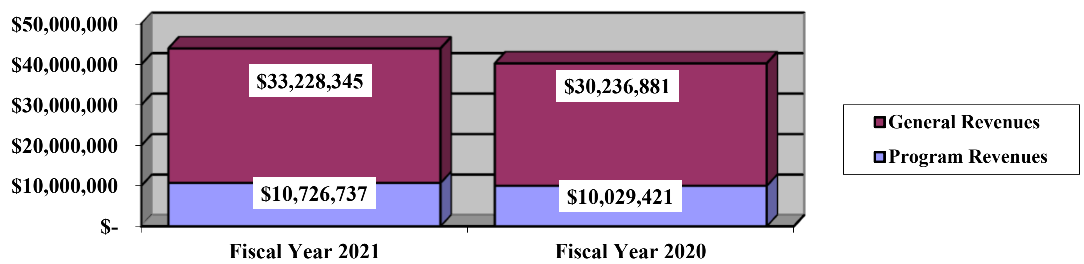
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Special	$ 1,276,461	$ 873,929	$ 1,234,817	$ 872,705
Vocational	19,526,008	12,387,716	19,977,248	13,187,375
Adult/continuing	719,781	84,189	631,579	32,427
Other	873,142	478,354	988,867	589,217
Support services:				
Pupil	3,821,917	3,221,956	3,674,401	3,184,804
Instructional staff	3,167,256	2,960,881	3,079,872	2,911,610
Board of education	106,152	106,152	109,192	109,192
Administration	1,699,910	1,437,823	1,755,532	1,446,994
Fiscal	735,594	735,594	743,245	743,245
Operations and maintenance	3,479,743	3,099,336	3,655,540	3,655,540
Central	345,519	345,519	351,635	351,635
Other non-instructional services	134,049	(187,910)	292,428	(97,343)
Food service operations	621,735	237,609	722,977	218,755
Extracurricular activities	147,891	147,273	254,678	236,434
Interest and fiscal charges	850,487	850,487	758,690	758,690
Total expenses	$ 37,505,645	$ 26,778,908	$ 38,230,701	$ 28,201,280

The dependence upon taxes and other general revenues for governmental activities is apparent; for all governmental activities, general revenue support is 72.79% and 73.77% for fiscal years 2021 and 2020. The Career Center's taxpayers and unrestricted grants and entitlements, as a whole, are by far the primary support for Career Center's students.

Several programs, however, receive significant contributions from program revenues. For instance, 28.60% of vocational instruction costs are provided for through program revenues, primarily operating grants and contributions and charges for services which include tuition and fees.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2021 and 2020.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Career Center's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of $37,738,332, which is higher than last year's total of $27,971,577. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change
General	$ 26,307,285	$ 21,270,990	$ 5,036,295
Permanent improvement	10,494,123	5,783,689	4,710,434
Other Governmental	936,924	916,898	20,026
Total	$ 37,738,332	$ 27,971,577	$ 9,766,755

The fund balance of the Career Center's other governmental funds increased $20,026 during fiscal year 2021 as a result of an increase in the fund balance of the Student Wellness and Success special revenue fund.

General Fund

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2021 Amount	2020 Amount	Percentage Change
Revenues			
Taxes	$ 12,955,505	$ 11,941,456	8.49 %
Tuition	767,773	561,534	36.73 %
Earnings on investments	531,254	694,274	(23.48) %
Intergovernmental	17,956,506	17,768,144	1.06 %
Other revenues	2,730,143	1,043,447	161.65 %
Total	$ 34,941,181	$ 32,008,855	9.16 %
Expenditures			
Instruction	$ 18,573,493	$ 19,689,542	(5.67) %
Support services	10,997,987	10,485,322	4.89 %
Other non-instructional services	134,049	292,428	(54.16) %
Extracurricular activities	144,391	251,363	(42.56) %
Capital outlay	275,461	-	- %
Debt service	54,966	54,966	- %
Total	$ 30,180,347	$ 30,773,621	(1.93) %

The general fund balance increased by $5,036,295 during fiscal year 2021. Tax revenue increased 8.49% when compared to the prior fiscal year as a result of increased collections from growth in housing and commercial growth and fluctuations in the amount of property tax available for advance at fiscal year-end. Tuition revenue increased from increased student enrollment. Investment earnings decreased from a cut in interest rates by the federal reserve. Other revenues increased from payment in lieu of taxes and a positive change in fair value of education foundation investments.

Overall fiscal year 2021 expenditures were comparable to fiscal year 2021, decreasing by 1.93% during fiscal year 2021. Other non-instruction and extracurricular activities decreased from fewer student activities and conferences as a result of the COVID-19 pandemic.

Permanent Improvement Fund

The $4,710,434 increase in the fund balance of the permanent improvement fund is a result of fewer maintenance and repair and capital projects undertaken during fiscal year 2021. During fiscal year 2021, the permanent improvement fund made $819,454 in principal and interest payments on the refunding bonds.

General Fund Budgeting Highlights

The Career Center's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund shown as supplemental information on pages 59-60.

During the course of fiscal year 2021, the Career Center amended its general fund budget several times. For the general fund, original and final budgeted revenues and other financing sources were $31,488,970 and $31,463,936, respectively. Actual revenues and other financing sources for fiscal year 2021 were $31,873,108. This represents a $409,172 increase from final budgeted revenues.

General fund original and final appropriations (appropriated expenditures plus other financing uses) were $33,387,191. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $30,800,570, which was $2,586,621 less than the final budget appropriations.

Capital Assets

At the end of fiscal 2021, the Career Center had $71,891,134 invested in land, land improvements, buildings and building improvements, furniture, equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2021 balances compared to 2020.

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2021	2020
Land	$ 7,202,778	$ 7,202,778
Land improvements	1,271,466	1,482,033
Building and building improvements	60,210,989	61,508,007
Furniture, equipment and vehicles	3,205,901	3,079,154
Total	$ 71,891,134	$ 73,271,972

The overall decrease in capital assets of $1,380,838 occurred as a result of the 2021 depreciation expense of $3,067,524 and net disposals of $162,746 exceeding additions of $1,849,432.

See Note 9 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration

At June 30, 2021 and June 30, 2020, the Career Center had the following debt obligations outstanding:

	Governmental Activities	
	2021	2020
Private placement refunding bonds	$ 21,192,000	$ 21,542,000
Capital lease obligation	275,461	55,634
Total	$ 21,467,461	$ 21,597,634

At June 30, 2021 the Career Center's overall legal debt margin was $606,262,595 with an unvoted debt margin of $6,736,251.

See Notes 10 and 11 to the basic financial statements for more detail on the Career Center's debt obligations.

Current Related Financial Activities

The formula for career technical education (CTE) funding changed in fiscal year 2019. Previously, CTE was subject to a district's cap or guarantee, if applicable. Beginning in fiscal year 2019, CTE funding is calculated outside the cap and guarantee and paid at the district's state share percentage regardless if the district is on the cap or guarantee.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Carrie J. Herringshaw, Treasurer, Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

BASIC
FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 38,844,682
Receivables:	
Property taxes	19,833,899
Payment in lieu of taxes	441,820
Accounts	30,338
Accrued interest	30,040
Intergovernmental	258,079
Prepayments	109,265
Materials and supplies inventory	3,425
Inventory held for resale	4,156
Net OPEB asset	2,180,833
Capital assets:	
Nondepreciable capital assets	7,202,778
Depreciable capital assets, net	64,688,356
Capital assets, net	71,891,134
Total assets	133,627,671
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	2,647,192
Pension	6,242,331
OPEB	687,189
Total deferred outflows of resources	9,576,712
Liabilities:	
Accounts payable	245,329
Contracts payable	124,592
Accrued wages and benefits payable	2,703,153
Intergovernmental payable	475,222
Accrued interest payable	107,871
Long-term liabilities:	
Due within one year	844,655
Due in more than one year:	
Net pension liability	36,660,248
Net OPEB liability	2,090,969
Other amounts due in more than one year	24,258,727
Total liabilities	67,510,766
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	17,323,236
Payment in lieu of taxes levied for the next fiscal year	441,820
Pension	865,355
OPEB	3,901,966
Total deferred inflows of resources	22,532,377
Net position:	
Net investment in capital assets	53,005,862
Restricted for:	
Capital projects	10,625,972
Locally funded programs	629,579
State funded programs	297,117
Food service operations	10,831
Student activities	70,210
Unrestricted (deficit)	(11,478,331)
Total net position	$ 53,161,240

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Special	$ 1,276,461	$ -	$ 402,532	$ -	$ (873,929)
Vocational	19,526,008	777,153	6,269,123	92,016	(12,387,716)
Adult/continuing	719,781	106,984	528,608	-	(84,189)
Other	873,142	-	394,788	-	(478,354)
Support services:					
Pupil	3,821,917	42,133	557,828	-	(3,221,956)
Instructional staff	3,167,256	-	206,375	-	(2,960,881)
Board of education	106,152	-	-	-	(106,152)
Administration	1,699,910	71,688	190,399	-	(1,437,823)
Fiscal	735,594	-	-	-	(735,594)
Operations and maintenance	3,479,743	-	380,407	-	(3,099,336)
Central	345,519	-	-	-	(345,519)
Operation of non-instructional services:					
Food service operations	621,735	47,686	336,440	-	(237,609)
Other non-instructional services	134,049	321,959	-	-	187,910
Extracurricular activities	147,891	618	-	-	(147,273)
Interest and fiscal charges	850,487	-	-	-	(850,487)
Totals	$ 37,505,645	$ 1,368,221	$ 9,266,500	$ 92,016	(26,778,908)

General revenues:	
Property taxes levied for:	
General purposes	13,055,531
Capital outlay	5,475,802
Payments in lieu of taxes	323,022
Grants and entitlements not restricted to specific programs	11,769,672
Investment earnings	528,536
Change in fair value of investments	1,885,564
Miscellaneous	190,218
Total general revenues	33,228,345
Change in net position	6,449,437
Net position at beginning of year	46,711,803
Net position at end of year	$ 53,161,240

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 27,619,854	$ 10,014,138	$ 1,210,690	$ 38,844,682
Receivables:				
Property taxes	13,989,536	5,844,363	-	19,833,899
Payment in lieu of taxes	441,820	-	-	441,820
Accounts	30,338	-	-	30,338
Accrued interest	30,040	-	-	30,040
Interfund loans	123,442	-	-	123,442
Intergovernmental	153,477	-	104,602	258,079
Prepayments	108,278	-	987	109,265
Materials and supplies inventory	-	-	3,425	3,425
Inventory held for resale	-	-	4,156	4,156
Total assets	$ 42,496,785	$ 15,858,501	$ 1,323,860	$ 59,679,146
Liabilities:				
Accounts payable	$ 184,570	$ 7,912	$ 52,847	$ 245,329
Contracts payable	-	124,592	-	124,592
Accrued wages and benefits payable	2,635,090	-	68,063	2,703,153
Intergovernmental payable	437,240	-	37,982	475,222
Interfund loans payable	-	-	123,442	123,442
Total liabilities	3,256,900	132,504	282,334	3,671,738
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	12,206,490	5,116,746	-	17,323,236
Payment in lieu of taxes levied for the next fiscal year	441,820	-	-	441,820
Delinquent property tax revenue not available	270,394	115,128	-	385,522
Intergovernmental revenue not available	-	-	104,602	104,602
Accrued interest not available	13,896	-	-	13,896
Total deferred inflows of resources	12,932,600	5,231,874	104,602	18,269,076
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	3,425	3,425
Prepaids	108,278	-	987	109,265
Restricted:				
Capital improvements	-	10,494,123	-	10,494,123
Adult education	-	-	650,488	650,488
Food service operations	-	-	22,758	22,758
State funded programs	-	-	297,117	297,117
Extracurricular	-	-	70,210	70,210
Committed:				
Education foundation	9,895,736	-	-	9,895,736
Assigned:				
Student instruction	264,974	-	-	264,974
Student and staff support	435,264	-	-	435,264
Extracurricular activities	7,945	-	-	7,945
Subsequent year appropriations	488,033	-	-	488,033
Other purposes	963,720	-	-	963,720
Unassigned (deficit)	14,143,335	-	(108,061)	14,035,274
Total fund balances	26,307,285	10,494,123	936,924	37,738,332
Total liabilities, deferred inflows and fund balances	$ 42,496,785	$ 15,858,501	$ 1,323,860	$ 59,679,146

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Total governmental fund balances		$ 37,738,332
Amounts reported for governmental activities on the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		71,891,134
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 385,522	
Accrued interest receivable	13,896	
Intergovernmental receivable	104,602	
Total		504,020
Unamortized amounts on refundings are not recognized in the funds.		2,647,192
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(107,871)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows of resources are not reported in governmental funds.		
Deferred outflows - pension	6,242,331	
Deferred inflows - pension	(865,355)	
Net pension liability	(36,660,248)	
Deferred outflows - OPEB	687,189	
Deferred inflows - OPEB	(3,901,966)	
Net OPEB asset	2,180,833	
Net OPEB liability	(2,090,969)	
Total		(34,408,185)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Refunding bonds	(21,192,000)	
Capital lease obligations	(275,461)	
Compensated absences	(3,635,921)	
Total		(25,103,382)
Net position of governmental activities		$ 53,161,240

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 12,955,505	$ 5,433,535	$ -	$ 18,389,040
Intergovernmental	17,956,506	563,979	2,537,528	21,058,013
Investment earnings	531,254	66,974	-	598,228
Tuition and fees	767,773	-	220,806	988,579
Extracurricular	35,704	-	618	36,322
Charges for services	295,635	-	47,686	343,321
Contributions and donations	4,269	-	-	4,269
Payment in lieu of taxes	323,022	-	-	323,022
Miscellaneous	185,949	25,042	1,172	212,163
Change in fair value of investments	1,885,564	-	-	1,885,564
Total revenues	34,941,181	6,089,530	2,807,810	43,838,521
Expenditures:				
Current:				
Instruction:				
Special	1,109,148	-	-	1,109,148
Vocational	16,799,150	-	171,652	16,970,802
Adult/continuing	-	-	668,512	668,512
Other	665,195	-	151,566	816,761
Support services:				
Pupil	3,060,195	-	425,790	3,485,985
Instructional staff	2,761,406	-	209,075	2,970,481
Board of education	92,037	-	-	92,037
Administration	1,265,181	-	282,300	1,547,481
Fiscal	627,227	69,812	-	697,039
Operations and maintenance	2,852,031	82,269	380,407	3,314,707
Central	339,910	-	-	339,910
Operation of non-instructional services:				
Food service operations	-	-	492,372	492,372
Other non-instructional services	134,049	-	-	134,049
Extracurricular activities	144,391	-	3,500	147,891
Facilities acquisition and construction	275,461	407,561	-	683,022
Debt service:				
Principal retirement	52,854	350,000	2,510	405,364
Interest and fiscal charges	2,112	469,454	100	471,666
Total expenditures	30,180,347	1,379,096	2,787,784	34,347,227
Excess of revenues over expenditures	4,760,834	4,710,434	20,026	9,491,294
Other financing sources:				
Capital lease transaction	275,461	-	-	275,461
Net change in fund balances	5,036,295	4,710,434	20,026	9,766,755
Fund balances at beginning of year	21,270,990	5,783,689	916,898	27,971,577
Fund balances at end of year	$ 26,307,285	$ 10,494,123	$ 936,924	$ 37,738,332

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds			$	9,766,755
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.				
Capital asset additions	$	1,849,432		
Current year depreciation		(3,067,524)		
Total				(1,218,092)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position				(162,746)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Property taxes		142,293		
Earnings on investments		(2,718)		
Intergovernmental		(23,014)		
Total				116,561
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position				405,364
Capital lease transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position				(275,461)
In the statement of activities, interest is accrued on outstanding refunding bonds whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:				
Decrease in accrued interest payable		13,356		
Amortization of deferred charges		(392,177)		
Total				(378,821)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows				
Pension		2,657,478		
OPEB		27,563		
Total				2,685,041
Except for amounts reported as deferred inflows/outflows, changes in the net pension OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.				
Pension		(4,098,319)		
OPEB		239,466		
Total				(3,858,853)
Some expenses reported in the statement of activities (compensated absences) do not require the use of current financial resources and therefore aer not reported as expenditures in governmental funds.				(630,311)
Change in net position of governmental activities			$	6,449,437

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial
Assets:	
Equity in pooled cash and investments	$ 96,104
Liabilities:	
Accounts payable	3,801
Net position:	
Restricted for scholarships	$ 92,303

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Custodial
Additions:	
Contributions and donations	$ 91,017
Deductions:	
Scholarships awarded	77,069
Change in net position	13,948
Net position at beginning of year	78,355
Net position at end of year	$ 92,303

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CAREER CENTER

Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio operated under the direction of a nine-member Board of Education consisting of a representative from the participating school districts' elected Boards. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg and Rossford; one representative from each of the three counties: Fulton, Ottawa, and Lucas; and two representatives from Wood. The Board possesses its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The Career Center was established in 1964. The Career Center serves Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky and Wood Counties. It is staffed by 77 classified employees, 201 certified teaching personnel and 19 administrative employees who provide services to 1,849 students and other community members. The Career Center currently operates one instructional building.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Career Center have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Career Center's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Career Center. For the Career Center, this includes general operations, food service, and student related activities of the Career Center.

Component units are legally separate organizations for which the Career Center is financially accountable. The Career Center is financially accountable for an organization if the Career Center appoints a voting majority of the organization's Governing Board and (1) the Career Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Career Center is legally entitled to or can otherwise access the organization's resources; or (3) the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the Career Center has no component units. The basic financial statements of the reporting entity include only those of the Career Center (the primary government).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the Career Center:

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association
The Career Center is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities.

The NWOCA Assembly consists of a superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council
The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the six counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Education Council, 209 Nolan Parkway, Archbold, Ohio 43502.

Ohio Schools' Council
The Ohio Schools' Council (Council) is a consortium of 200 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards in 34 northern Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents from member districts whose term rotates every year. The degree of control exercised by any district is limited to its representation on the Board. In fiscal year 2021, the Career Center participated in the Power4Schools Electric program. Financial information can be obtained by contacting William Zelei, Executive Director of the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio, 44131.

INSURANCE POOLS

Ohio School Plan
The Career Center participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a thirteen-member Board consisting of individual representatives from various Plan members. Hylant Administrative Services is the Plan's administrator and is responsible for processing claims, sales, and customer service. Financial information can be obtained from Hylant Administrative Services, LLC, 811 Madison Avenue, P.O. Box 2083, Toledo, Ohio 43603-2083

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Workers' Compensation Group Rating Plan

The Career Center participates in a group rating plan (GRP) through the Ohio Schools Council, administered by Sheakley, for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. The Career Center pays a fee to the GRP to cover the costs of administering the program.

Wood County Schools Benefit Plan Association

The Wood County Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, the Career Center, and an educational service center. The Association is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. Each participating entity's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information may be obtained from Huntington Retirement Plan Services, 519 Madison Avenue - 3rd Floor, Toledo, Ohio 43604.

B. Basis of Presentation

The Career Center's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. These statements usually distinguish between those activities of the Career Center that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the Career center has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Career Center at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Career Center.

Fund Financial Statements - During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Career Center has no proprietary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the Career Center's major governmental funds:

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund - The Permanent Improvement Capital Projects Fund accounts for property taxes restricted for the acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Career Center's own programs. The Career Center does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Career Center's custodial fund accounts for scholarships in which the Career Center has no administrative involvement in selecting the recipient.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets/deferred outflows of resources and current liabilities/deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of fiduciary funds are included on the statement of net fiduciary position. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Career Center, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees, contract services, and charges for services.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center, See Notes 14 and 15 for deferred outflows of resources related the Career Center’s net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Career Center, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Career Center, See Notes 14 and 15 for deferred inflows of resources related to the Career Center's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Unpaid contractually required pension and post-employment obligations due at year end (See Notes 14 and 15) are recorded as liabilities and expenses/expenditures in both the government-wide and fund financial statements.

F. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the estimate of revenues, certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The estimate of revenues provides information regarding the estimated revenues for all funds, along with a schedule of outstanding general obligation debt. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level for these funds are made by the Treasurer. Although the legal level of control was established at the fund level of expenditures, the Career Center has elected to present the general fund's budgetary statement comparison at the fund and function level of expenditures.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the Career Center prior to fiscal year end.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

G. Cash and Investments

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as “equity in pooled cash and investments”.

During fiscal year 2021, the Career Center’s investments included nonnegotiable certificates of deposit, commercial paper, federal agency securities, U.S. Treasury notes, negotiable certificates of deposit, U.S. Government money markets, mutual funds and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market price or current share price.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The Career Center measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

The Board of Education, by resolution, allocates interest earnings at the end of each fiscal year. Interest revenue credited to the general fund during fiscal year 2021 was $531,254, which includes $105,934 assigned from other Career Center funds.

Investments of the Career Center’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

An analysis of the Career Center’s investment account at year end is provided in Note 4.

H. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the cost and donated commodities are presented at their entitlement value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated food and purchased food.

J. Unamortized Premium/Deferred Charges and Issue Costs

On government-wide financial statements, premiums on bond issues are amortized over the term of the issue using the straight-line method. Premiums are presented as an addition to the face amount of the bonds.

On government-wide financial statements, for an advance refunding resulting in the defeasance of certificates of participation, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow.

On the governmental fund financial statements, issuance costs, premiums, and deferred charges from refunding are recognized in the current period. The reconciliation between the face value of the certificates of participation and the amount reported on the statement of net position is presented in Note 11.

K. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Career Center had no restricted assets at June 30, 2021.

L. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of $5,000 for its general capital assets. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful lives
Land improvements	15 - 40 years
Buildings and building improvements	15 - 40 years
Furniture, equipment and vehicles	5 - 20 years
Technology	3 - 5 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position.

N. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. The liability includes earned sick leave to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgements, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Refunding bonds and capital leases are recognized as liabilities on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

P. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Career Center applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Career Center is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the General Fund.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Career Center Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Career Center Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Career Center applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

R. Interfund Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

U. Fair Value

The Career Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2021, the Career Center has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2021 included the following individual fund deficits:

Nonmajor Governmental Funds	Deficit
Nonmajor Special Revenue Funds	
ASPIRE	$ 79,234
Vocational Education	28,188

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Career Center into three categories.

Active deposits are monies determined to be necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Career Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or Ohio local governments, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and,

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Career Center, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the Career Center had $756 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all Career Center deposits was $1,241,723 and the bank balance of all the Career Center's deposits was $1,296,966. Of the bank balance, $440,261 was covered by the FDIC, $514,023 was covered by the Ohio Pooled Collateral System (OPCS) and $342,682 was exposed to custodial credit risk because the amount was uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the Career Center's financial institutions was approved for a reduced collateral rate of 60% through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2021, the Career Center had the following investments and maturities:

		Investment Maturities				
Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Amortized cost:						
STAR Ohio	$ 11,680,188	$ 11,680,188	$ -	$ -	$ -	$ -
Fair value:						
U.S. Government money market	669,120	669,120	-	-	-	-
Mutual funds	9,796,779	9,796,779	-	-	-	-
Commercial paper	629,238	-	629,238	-	-	-
Negotiable CDs	5,112,524	998,311	-	1,271,169	500,965	2,342,079
U.S. Treasury note	1,815,373	-	-	-	-	1,815,373
FHLMC	2,872,464	-	-	499,610	-	2,372,854
FNMA	2,769,170	-	-	-	-	2,769,170
FFCB	1,905,129	-	-	795,318	311,523	798,288
FHLB	448,322	-	-	-	-	448,322
Total	$ 37,698,307	$ 23,144,398	$ 629,238	$ 2,566,097	$ 812,488	$ 10,546,086

The weighted average maturity of investments is 1.07 years.

The Career Center's investments in U.S. Government money market and mutual funds are valued using quoted market prices (Level 1 inputs). The Career Center's investments in federal agency securities, negotiable CD's, U.S. Treasury note, and commercial paper are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and requires that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the Career Center. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date.

Credit Risk: The Career Center has no policy dealing with credit risk beyond the requirements of State statute. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that no-load money market mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The mutual funds carry a rating of Aaa by Moodys. The Career Center's investments in federal agency securities and the U.S. Treasury note were rated AA+ by Standard & Poor's. The investment in commercial paper was rated A-1 by Standard & Poor's and P-1 by Moody's Investor Services. The U.S. Government money market and the negotiable CDs were not rated. The negotiable CDs were covered by FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with custodial credit risk beyond the requirements of the State statute.

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2021:

Investment type	Fair value	% to total
Amortized cost:		
STAR Ohio	$ 11,680,188	30.98
Fair value:		
U.S. Government money market	669,120	1.77
Mutual funds	9,796,779	25.99
Commercial paper	629,238	1.67
Negotiable CDs	5,112,524	13.56
U.S. Treasury note	1,815,373	4.82
FHLMC	2,872,464	7.62
FNMA	2,769,170	7.35
FFCB	1,905,129	5.05
FHLB	448,322	1.19
Total	$ 37,698,307	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2021:

Cash and investments per note	
Carrying amount of deposits	$ 1,241,723
Investments	37,698,307
Cash on hand	756
Total	$ 38,940,786
Cash and cash equivalents per statement of net position	
Governmental activities	$ 38,844,682
Custodial fund	96,104
Total	$ 38,940,786

NOTE 5 - INTERFUND TRANSACTIONS

At June 30, 2021, the general fund had a short-term interfund receivable, in the amount of $123,442, from the ASPIRE and Vocational Education nonmajor special revenue funds in the amount of $97,095 and $26,347, respectively, as a result of providing cash flow resources until the receipt of grant monies.

The short-term interfund loans are expected to be repaid in the next fiscal year.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the Career Center fiscal year runs from July through June. First half tax collections are received by the Career Center in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky and Wood Counties. The County Auditors periodically advance to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,512,652 in the general fund and $612,489 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $1,337,701 in the general fund and $569,943 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2021 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the full accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 6,177,365,317	89.68	$ 5,969,185,360	88.61
Public utility personal	710,736,130	10.32	767,065,700	11.39
Total	$ 6,888,101,447	100.00	$ 6,736,251,060	100.00
Tax rate per $1,000 of assessed valuation	$ 3.20		$ 3.20	

NOTE 7 - PAYMENT IN LIEU OF TAXES

According to State law, Lucas and Wood Counties have entered into agreements with a number of property owners under which the Counties have granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the Counties to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The Career Center received $323,022 in payments in lieu of taxes as a result of these agreements during fiscal year 2021 and a receivable of $441,820 has been reported on the statement of net position.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2021 consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables, except property taxes and payments in lieu of taxes, are expected to be collected within one year. Property taxes and payments in lieu of taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivable follows:

Governmental activities:	Amount
ASPIRE	$ 78,255
Vocational Eduation - Carl D. Perkins Secondary	26,347
State Foundation - JV18 Innovative Workforce Incentive	100,000
State Foundation - JV91 Previous Year College Credit Plus	53,477
Total intergovernmental receivables	$ 258,079

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance 06/30/20	Additions	Deductions	Balance 06/30/21
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 7,202,778	$ -	$ -	$ 7,202,778
Total nondepreciable capital assets	7,202,778	-	-	7,202,778
Depreciable capital assets:				
Land improvements	3,678,548	15,665	-	3,694,213
Buildings and building improvements	86,658,093	929,227	-	87,587,320
Furniture, equipment and vehicles	9,562,510	904,540	(714,999)	9,752,051
Total depreciable capital assets	99,899,151	1,849,432	(714,999)	101,033,584
Less: accumulated depreciation				
Land improvements	(2,196,515)	(226,232)	-	(2,422,747)
Buildings and building improvements	(25,150,086)	(2,226,245)	-	(27,376,331)
Furniture, equipment and vehicles	(6,483,356)	(615,047)	552,253	(6,546,150)
Total accumulated depreciation	(33,829,957)	(3,067,524)	552,253	(36,345,228)
Depreciable capital assets, net	66,069,194	(1,218,092)	(162,746)	64,688,356
Governmental activities capital assets, net	$ 73,271,972	$ (1,218,092)	$ (162,746)	$ 71,891,134

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Special	$ 99,191
Vocational	1,804,361
Adult/continuing	37,858
Support services:	
Pupil	182,628
Instructional staff	36,663
Board of education	13,239
Administration	53,708
Fiscal	7,357
Operations and maintenance	707,988
Food service operations	124,531
Total depreciation expense	$ 3,067,524

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In the current year and in previous fiscal years, the Career Center entered into capital lease agreements for office equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

A portion of the assets acquired under lease, totaling $59,589, have not been capitalized, as the assets are less than the Career Center's capital asset threshold. Capital assets acquired by lease have been capitalized in the amount of $215,872 and depreciated as follows:

Governmental activities	
Capital assets, being depreciated:	
Furniture, equipment and vehicles	$ 215,872
Less: accumulated depreciation	
Furniture, equipment and vehicles	-
Total capital assets, being depreciated, net	$ 215,872

The following is a schedule of the future long-term minimum lease payments required under capital lease and the present value of the minimum lease payments as of June 30, 2021.

Fiscal Year Ending June 30,	Governmental Activities
2022	$ 65,916
2023	65,916
2024	65,916
2025	65,916
2025	65,916
Less: amount representing interest	(54,119)
Present value of minimum lease payments	$ 275,461

NOTE 11 - LONG-TERM OBLIGATIONS

During fiscal year 2021, the following changes occurred in the governmental activities long-term obligations.

Governmental activities:	Balance 06/30/20	Additions	Reductions	Balance 06/30/21	Amounts Due in One Year
2020 Private placement refunding bonds - 2.07%	$ 21,542,000	$ -	$ (350,000)	$ 21,192,000	$ 381,000
Capital lease obligation	55,364	275,461	(55,364)	275,461	47,382
Compensated absences payable	3,005,610	1,163,066	(532,755)	3,635,921	416,273
Net pension liability	33,730,928	2,929,320	-	36,660,248	-
Net OPEB liability	2,469,632	-	(378,663)	2,090,969	-
Total governmental activities long-term obligations	$ 60,803,534	$ 4,367,847	$ (1,316,782)	$ 63,854,599	$ 844,655

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences - Compensated absences will be paid from the general fund and the food service, various adult education funds, and vocational education special revenue funds.

Net Pension Liability - See Note 14 for information on the Career Center's net pension liability. The Career Center pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability - See Note 15 for information on the Career Center's net OPEB liability. The Career Center pays obligations related to employee compensation from the fund benefitting from their service.

Legal Debt Margin - The Career Center's overall debt margin was $606,262,595, with an unvoted debt margin of $6,736,251 at June 30, 2021.

2020 Private Placement Refunding Bonds - On March 12, 2020, the Career Center issued $21,542,000 in refunding bonds and made a cash contribution of $9,183,916 for the purpose of advance refunding $8,180,000 in non-callable 2012 COPs and $19,935,000 in callable 2012 COPs through a private placement with JP Morgan Chase Bank. The Career Center's cash contribution of $9,183,916 was included in the $30,551,663 payment to refunding escrow agent. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded 2012 Certificates of Participation at June 30, 2021 is $22,795,000.

The private placement refunding bond issue is comprised of current interest serial coupons, par value $21,542,000. Interest on the bonds, 2.07%, will be paid each October 1 and April 1, commencing October 1, 2020. The principal payments begin April 1, 2021, and the final payment is April 1, 2028.

The reacquisition price exceeded the net carrying amount of the old debt by $3,137,413. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 9 years by 6.23% and resulted in an economic gain of $1,341,839.

The 2020 refunding bonds issued through JP Morgan Chase Bank is considered a private placement. Private placements occur when the Career Center issues a debt security directly to an investor. Private placements have terms negotiated directly with the investor and are not offered for public sale.

Principal and interest requirements to retire the debt outstanding at June 30, 2021, were as follows:

Fiscal	Private Placement Refunding Bonds		
Year Ending	Principal	Interest	Total
2022	$ 381,000	$ 438,674	$ 819,674
2023	3,394,000	430,788	3,824,788
2024	3,466,000	360,532	3,826,532
2025	3,537,000	288,786	3,825,786
2026	3,610,000	215,570	3,825,570
2027-2028	6,804,000	205,384	7,009,384
Total	$ 21,192,000	$ 1,939,734	$ 23,131,734

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators earn up to twenty-one days of vacation per year. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-five days for all employees, with the exception of the superintendent and treasurer who may accumulate up to a maximum of three-hundred-twenty days. Upon retirement, with 15 consecutive years of service with the Career Center, payment is made for 25 or 28 percent of accrued but unused sick leave credit to a maximum of 79.8 days.

B. Health Care Benefits

The Career Center offers employee, medical and dental benefits through the Wood County Insurance Consortium. The employees share the cost of the monthly premium with the Board. The premium varies with each employee depending on the terms of the union contract and the health insurance plan the employee has. The Career Center provides life insurance and accidental death and dismemberment insurance to most employees through American United Life. Vision coverage is provided through Vision Service Plan.

C. Separation Benefits

The Career Center provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System, that has fifteen years of service with the Career Center, will be paid $2,000 if notification of pending retirement is submitted in writing to the Superintendent no later than January 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2021, the Career Center had no separation benefits payable.

NOTE 13 - RISK MANAGEMENT

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the Career Center contracted for the following insurance coverage.

Coverage provided by the Netherlands Insurance Company is as follows:

Building	$141,842,709
Data compromise	100,000
Equipment breakdown	250,000
Computer Fraud Coverage	500,000
Commercial crime:	
Forgery/alterations	100,000
Public employee dishonesty	500,000
Funds transfer fraud	500,000
Computer equipment	2,345,653
Rented equipment & tools	75,000
Automobile liability	1,000,000

NOTE 13 - RISK MANAGEMENT - (Continued)

Coverage provided by Ohio School Plan is as follows:

Educational general liability	
Per occurrence	$3,000,000
General aggregate	5,000,000
Employer's liability	3,000,000
Educational legal liability	
Errors and omissions	3,000,000
Aggregate	5,000,000
Fiduciary/Employee Benefits liability	
Errors and omissions	3,000,000
Aggregate	5,000,000
Violence coverage	1,000,000
Cyber coverage	1,000,000
Pollution coverage	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior fiscal year.

For fiscal year 2021, the Career Center participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverages and deductibles selected by the participant.

The Career Center participates in the Ohio Schools Council Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participant's claims experience and determines the rating tier for that participant. A common premium is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for its rating tier rather than its individual rate. Sheakley provides administrative, cost control, and actuarial services to the Plan.

The Career Center participates in the Wood County School Benefit Plan Association (Association), a public entity shared risk pool of six local districts, one exempted village school district, a city school district, the Career Center, and an educational service center. The Career Center pays monthly premiums to the Association for employee medical and dental benefits. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

The statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees - of salaries and benefits for employee services. Pensions/OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension/OPEB liability (asset) represent the Career Center's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Career Center's obligation for this liability to annually required payments. The Career Center cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Career Center does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Career Center non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Career Center is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

The Career Center's contractually required contribution to SERS was $510,778 for fiscal year 2021. Of this amount, $18,683 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The Career Center was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $2,146,700 for fiscal year 2021. Of this amount, $309,437 is reported as intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.10240790%	0.12482222%	
Proportion of the net pension liability current measurement date	0.10032250%	0.12408728%	
Change in proportionate share	-0.00208540%	-0.00073494%	
Proportionate share of the net pension liability	$ 6,635,542	$ 30,024,706	$ 36,660,248
Pension expense	$ 678,901	$ 3,419,418	$ 4,098,319

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2021, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 12,889	$ 67,368	$ 80,257
Net difference between projected and actual earnings on pension plan investments	421,223	1,460,106	1,881,329
Changes of assumptions	-	1,611,746	1,611,746
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	11,521	-	11,521
Contributions subsequent to the measurement date	510,778	2,146,700	2,657,478
Total deferred outflows of resources	$ 956,411	$ 5,285,920	$ 6,242,331

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 191,986	$ 191,986
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	77,183	596,186	673,369
Total deferred inflows of resources	$ 77,183	$ 788,172	$ 865,355

$2,657,478 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (37,470)	$ 608,863	$ 571,393
2023	98,469	353,366	451,835
2024	175,573	767,235	942,808
2025	131,878	621,584	753,462
Total	$ 368,450	$ 2,351,048	$ 2,719,498

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investment expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2020, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 9,089,882	$ 6,635,542	$ 4,576,303

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2020
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the June 30, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

***Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* -** The following table presents the Career Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 42,749,955	$ 30,024,706	$ 19,241,118

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the Career Center's surcharge obligation was $27,563.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $27,563 for fiscal year 2021, which is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability/asset was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.09820430%	0.12482222%	
Proportion of the net OPEB liability/asset current measurement date	0.09621050%	0.12408728%	
Change in proportionate share	-0.00199380%	-0.00073494%	
Proportionate share of the net OPEB liability	$ 2,090,969	$ -	$ 2,090,969
Proportionate share of the net OPEB asset	$ -	$ (2,180,833)	$ (2,180,833)
OPEB expense	$ (68,054)	$ (171,412)	$ (239,466)

At June 30, 2021, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 27,461	$ 139,737	$ 167,198
Net difference between projected and actual earnings on OPEB plan investments	23,564	76,429	99,993
Changes of assumptions	356,436	35,999	392,435
Contributions subsequent to the measurement date	27,563	-	27,563
Total deferred outflows of resources	$ 435,024	$ 252,165	$ 687,189

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,063,405	$ 434,394	$ 1,497,799
Changes of assumptions	52,666	2,071,426	2,124,092
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	145,023	135,052	280,075
Total deferred inflows of resources	$ 1,261,094	$ 2,640,872	$ 3,901,966

$27,563 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (171,986)	$ (604,900)	$ (776,886)
2023	(170,283)	(553,169)	(723,452)
2024	(170,558)	(535,020)	(705,578)
2025	(166,091)	(490,281)	(656,372)
2026	(128,159)	(99,780)	(227,939)
Thereafter	(46,556)	(105,557)	(152,113)
Total	$ (853,633)	$ (2,388,707)	$ (3,242,340)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Measurement date	2.45%
Prior measurement date	3.13%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	2.63%
Prior measurement date	3.22%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 2,559,294	$ 2,090,969	$ 1,718,651

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 1,646,479	$ 2,090,969	$ 2,685,366

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, compared with June 30, 2019, are presented below:

	June 30, 2020		June 30, 2019	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 1,897,466	$ 2,180,833	$ 2,421,258

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 2,406,334	$ 2,180,833	$ 1,906,137

NOTE 16 - CONTINGENCIES

A. Grants

The Career Center receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Career Center. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Career Center.

B. Litigation

The Career Center is not a party to legal proceedings that, in the opinion of management, would have a material impact on the financial statements.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, the Career Center owes ODE $1,941 as a result of the first FTE adjustment for fiscal year 2021. This amount has been reported as an intergovernmental payable at June 30, 2021. As of the date of this report, additional ODE adjustments for fiscal year 2021 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2021 financial statements is not determinable at this time. Management believes this will result in either a receivable to, or liability of, the Career Center.

NOTE 17 - SET-ASIDES

The Career Center is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	354,884
Current year qualifying expenditures	(1,147,281)
Current year offsets	(5,954,968)
Total	$ (6,747,365)
Balance carried forward to fiscal year 2021	$ -
Set-aside balance June 30, 2021	$ -

NOTE 18 - COMMITMENTS

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Career Center's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End
General	$ 709,253
Permanent Improvement	596,597
Nonmajor Governmental Funds	89,149
Total	$ 1,394,999

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property and business owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program with the taxing districts of the Career Center. The EZAs and CRA program are directive incentive tax exemption programs benefiting property and business owners who renovate or construct new buildings or bring new jobs into the area. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock, the development of new structures, and economic growth. Within the taxing districts of the Career Center, certain municipal governments located in the counties of Lucas, Wood and Ottawa have entered into such agreements. Under these agreements, the Career Center's property taxes were reduced by $134,118 in Lucas County, $323,892 in Wood County, and $10,289 in Ottawa County. The Career Center is not receiving any amounts from the other governments in association with the forgone property tax revenue.

NOTE 20 - COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. The Career Center's investment portfolio and the pension and other employee benefits plan in which the Career Center participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Career Center's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 21 - SUBSEQUENT EVENT

For fiscal year 2022, the Career Center's foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the Career Center were funded to the Career Center who, in turn, made the payment to the educating school. For fiscal year 2021, the Career Center reported $735,465 in tuition and fees from the resident school districts which will be direct funded to the Center in fiscal year 2022. This new funding system calculates a unique base cost for each Center. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 12,808,512	$ 12,806,478	$ 12,780,554	$ (25,924)
Intergovernmental	17,596,384	17,573,981	17,842,590	268,609
Investment earnings	150,000	150,000	153,806	3,806
Tuition and fees	747,578	746,981	767,773	20,792
Charges for services	20,000	20,000	9,380	(10,620)
Miscellaneous	20,000	20,000	171,354	151,354
Total revenues	31,342,474	31,317,440	31,725,457	408,017
Expenditures:				
Current:				
Instruction:				
Special	1,174,027	1,156,681	1,107,450	49,231
Vocational	18,949,822	18,311,737	17,234,138	1,077,599
Other	845,058	837,164	741,775	95,389
Support services:				
Pupil	3,041,073	3,091,781	3,065,237	26,544
Instructional staff	2,873,426	2,999,173	2,866,020	133,153
Board of education	176,382	173,663	92,075	81,588
Administration	1,268,718	1,440,470	1,397,080	43,390
Fiscal	711,827	692,327	624,100	68,227
Operations and maintenance	3,286,116	3,607,845	3,072,273	535,572
Central	413,020	433,167	348,667	84,500
Operation of non-instructional services:				
Other non-instructional services	40,639	40,820	3,886	36,934
Extracurricular activities	457,083	452,363	121,537	330,826
Total expenditures	33,237,191	33,237,191	30,674,238	2,562,953
Excess (deficiency) of revenues over (under) expenditures	(1,894,717)	(1,919,751)	1,051,219	2,970,970
Other financing sources (uses):				
Refund of prior year expenditures	-	-	1,155	1,155
Advances in	146,496	146,496	146,496	-
Advances (out)	(150,000)	(150,000)	(126,332)	23,668
Contingencies	(200,000)	(200,000)	-	200,000
Total other financing sources (uses)	(203,504)	(203,504)	21,319	224,823
Net change in fund balance	(2,098,221)	(2,123,255)	1,072,538	3,195,793
Fund balance at beginning of year	14,173,456	14,173,456	14,173,456	-
Prior year encumbrances appropriated	490,454	490,454	490,454	-
Fund balance at end of year	$ 12,565,689	$ 12,540,655	$ 15,736,448	$ 3,195,793

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

While the Career Center is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The schedule of revenues, expenditures, and changes in fund balance - budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

4. While not legally required, the Career Center budgets advances-in and advances-out as operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

5. Investments are reported as fair value (GAAP basis) rather than cost (budget basis).

6. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP statement and budgetary basis schedule for the general fund:

	General
Budget basis	$ 1,072,538
Net adjustment for revenue accruals	130,662
Net adjustment for expenditure accruals	(133,108)
Net adjustment for other sources/(uses)	254,142
Fund budgeted elsewhere**	2,927,309
Adjustment for encumbrances	784,752
GAAP basis	$ 5,036,295

**Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the rotary, other grant, insurance premiums and education foundation special revenue funds.

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PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
Career Center's proportion of the net pension liability	0.10032250%	0.10240790%	0.10131740%	0.10070210%
Career Center's proportionate share of the net pension liability	$ 6,635,542	$ 6,127,244	$ 5,802,635	$ 6,016,728
Career Center's covered payroll	$ 3,504,493	$ 3,519,052	$ 3,367,630	$ 2,965,729
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	189.34%	174.12%	172.31%	202.88%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014	
	0.10570260%		0.10463160%		0.10173600%		0.10173600%
$	7,736,455	$	5,970,381	$	5,148,801	$	6,049,913
$	3,280,029	$	3,149,954	$	2,956,241	$	3,830,354
	235.87%		189.54%		174.17%		157.95%
	62.98%		69.16%		71.70%		65.52%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
Career Center's proportion of the net pension liability	0.12408728%	0.12482222%	0.12496148%	0.12634049%
Career Center's proportionate share of net pension liability	$ 30,024,706	$ 27,603,684	$ 27,476,224	$ 30,012,454
Career Center's covered payroll	$ 15,073,129	$ 14,758,757	$ 14,279,164	$ 13,931,150
Career Center's proportionate share of net pension liability as a percentage of its covered payroll	199.19%	187.03%	192.42%	215.43%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.13072943%	0.13062996%	0.12818671%	0.12818671%
$ 43,759,081	$ 36,102,300	$ 31,179,444	$ 37,140,750
$ 13,808,371	$ 13,789,736	$ 13,097,146	$ 14,650,046
316.90%	261.81%	238.06%	253.52%
66.80%	72.10%	74.70%	69.30%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 510,778	$ 490,629	$ 475,072	$ 454,630
Contributions in relation to the contractually required contribution	(510,778)	(490,629)	(475,072)	(454,630)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,648,414	$ 3,504,493	$ 3,519,052	$ 3,367,630
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	415,202	$	459,204	$	415,164	$	409,735	$	530,121	$	350,306
	(415,202)		(459,204)		(415,164)		(409,735)		(530,121)		(350,306)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,965,729	$	3,280,029	$	3,149,954	$	2,956,241	$	3,830,354	$	2,604,506
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 2,146,700	$ 2,110,238	$ 2,066,226	$ 1,999,083
Contributions in relation to the contractually required contribution	(2,146,700)	(2,110,238)	(2,066,226)	(1,999,083)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 15,333,571	$ 15,073,129	$ 14,758,757	$ 14,279,164
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 1,950,361	$ 1,933,172	$ 1,930,563	$ 1,702,629	$ 1,904,506	$ 1,820,698
(1,950,361)	(1,933,172)	(1,930,563)	(1,702,629)	(1,904,506)	(1,820,698)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,931,150	$ 13,808,371	$ 13,789,736	$ 13,097,146	$ 14,650,046	$ 14,005,369
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
Career Center's proportion of the net OPEB liability	0.09621050%	0.09820430%	0.09855560%	0.09776280%	0.10487896%
Career Center's proportionate share of net OPEB liability	$ 2,090,969	$ 2,469,632	$ 2,734,199	$ 2,623,697	$ 2,989,438
Career Center's covered payroll	$ 3,504,493	$ 3,519,052	$ 3,367,630	$ 2,965,729	$ 3,280,029
Career Center's proportionate share of net OPEB liability as a percentage of its covered payroll	59.67%	70.18%	81.19%	88.47%	91.14%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
Career Center's proportion of the net OPEB liability/asset	0.12408728%	0.12482222%	0.12496148%	0.12634049%	0.13072943%
Career Center's proportionate share of net OPEB liability/(asset)	$ (2,180,833)	$ (2,067,355)	$ (2,008,003)	$ 4,929,340	$ 6,991,444
Career Center's covered payroll	$ 15,073,129	$ 14,758,757	$ 14,279,164	$ 13,931,150	$ 13,808,371
Career Center's proportionate share of net OPEB liability/asset as a percentage of its covered payroll	14.47%	14.01%	14.06%	35.38%	50.63%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 27,563	$ 24,471	$ 37,267	$ 51,292
Contributions in relation to the contractually required contribution	(27,563)	(24,471)	(37,267)	(51,292)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,648,414	$ 3,504,493	$ 3,519,052	$ 3,367,630
Contributions as a percentage of covered payroll	0.70%	0.70%	1.06%	1.52%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	32,808	$	43,463	$	68,472	$	73,147	$	72,801	$	69,180
	(32,808)		(43,463)		(68,472)		(73,147)		(72,801)		(69,180)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,965,729	$	3,280,029	$	3,149,954	$	2,956,241	$	3,830,354	$	2,604,506
	1.11%		1.33%		2.17%		2.47%		1.90%		2.66%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 15,333,571	$ 15,073,129	$ 14,758,757	$ 14,279,164
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	-	$	-	$	-	$	130,971	$	146,500	$	140,054
	-		-		-		(130,971)		(146,500)		(140,054)
$	-	$	-	$	-	$	-	$	-	$	-
$	13,931,150	$	13,808,371	$	13,789,736	$	13,097,146	$	14,650,046	$	14,005,369
	0.00%		0.00%		0.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2021.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2019-2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2021.

(Continued)

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%. For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

(Continued)

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate. For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS THROUGHT GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER/ ADDITIONAL AWARD IDENTIFICATION	PASSED THROUGH TO SUBRECEIPIENTS	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Ohio Department of Education				
Child Nutrition Cluster:				
COVID-19 - School Breakfast Program	10.553	COVID-19; 2021	$ -	$ 2,882
School Breakfast Program	10.553	2021	-	31,687
Total School Breakfast Program			-	34,569
COVID-19 - National School Lunch Program	10.555	COVID-19; 2021	-	26,017
National School Lunch Program	10.555	2021	-	228,611
National School Lunch Program - Food Donation	10.555	2021	-	41,790
Total National School Lunch Program			-	296,418
Total U.S. Department of Agriculture and Child Nutrition Cluster			-	330,987
U.S. DEPARTMENT OF TREASURY				
Passed Through the Ohio Department of Higher Education				
COVID-19 - Coronavirus Relief Fund- Public Higher Education	21.019	COVID-19; 2021	-	8,700
Passed Through the Ohio Department of Education				
COVID-19 - Coronavirus Relief Fund - BroadbandOhio Connectivity	21.019	COVID-19; 2021	-	18,450
COVID-19 - Coronavirus Relief Fund - Other Education Entities	21.019	COVID-19; 2021	-	89,896
Total Coronavirus Relief Fund and U.S. Department of Treasury			-	117,046
U.S. DEPARTMENT OF EDUCATION				
Passed Through the Ohio Department of Education				
Adult Education- Basic Grants to States	84.002A	84.002A; 2021	119,564	466,829
Adult Education- Basic Grants to States	84.002	2020	-	21,345
Total Adult Education- Basic Grants to States			119,564	488,174
Passed Through Apollo Career Center				
Career and Technical Education- Basic Grants to States	84.048A	84.048A; 2021	-	20,000
Career and Technical Education- Basic Grants to States	84.048A	84.048A; 2021	-	372,472
Career and Technical Education- Basic Grants to States	84.048	2020	-	35,695
Total Career and Technical Education- Basic Grants to States			-	428,167
Direct Award				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	N/A	-	83,773
Total Student Financial Assistance Cluster			-	83,773
COVID-19 - Govenors Emergency Education Relief (GEERF) Fund	84.425C	COVID-19; 84.425C; 2021	-	374,270
Total U.S. Department of Education			119,564	1,374,384
Total Federal Financial Assistance			$ 119,564	$ 1,822,417

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCALYEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Penta Career Center under programs of the federal government for the fiscal year ended June 30, 2021 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Penta Career Center, it is not intended to and does not present the financial position, or changes in net position of the Penta Career Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Penta Career Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - CHILD NUTRITION CLUSTER

The Penta Career Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Penta Career Center assumes it expends federal monies first.

NOTE 4 – FOOD DONATION PROGRAM

The Penta Career Center reports commodities consumed on the Schedule at the entitlement value. The Penta Career Center allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE 5 – SUBRECIPIENTS

The Career Center passes certain federal awards received from the Ohio Department of Education to other governments (subrecipients). As Note 1 describes, the Career Center reports expenditures of Federal awards to subrecipients when paid in cash. The Career Center has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

Julian & Grube

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Penta Career Center, Wood County, Ohio, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Penta Career Center's basic financial statements, and have issued our report thereon dated December 20, 2021, wherein we noted as described in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Penta Career Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Penta Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Penta Career Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Penta Career Center's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Penta Career Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Penta Career Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Penta Career Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 20, 2021

Julian & Grube

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Westerville, OH 43082
614-846-1899

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Independent Auditor's Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Penta Career Center's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Penta Career Center's major federal program for the fiscal year ended June 30, 2021. The Penta Career Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Penta Career Center's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Penta Career Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Penta Career Center's compliance.

Opinion on the Major Federal Program

In our opinion, the Penta Career Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Penta Career Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Penta Career Center's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Penta Career Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 20, 2021

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	*Type of Financial Statement Opinion*	Unmodified
*(d)(1)(*ii)	*Were there any material control weaknesses reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weaknesses reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies in internal control reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Program's Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Program (listed):*	Career and Technical Education-Basic Grants to States, ALN 84.048A and 84.048
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: > $750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

PENTA CAREER CENTER

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 2/24/2022